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June 20, 1994

Mr. William F. Caton **Acting Secretary Federal Communications Commission** Washington, DC 20554

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In re:

The Ericsson Corporation **GN Docket No. 93-252**

Comments

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF SECRETARY

Dear Mr. Cimko:

Transmitted herewith, on behalf of The Ericsson Corporation, is an orignal and four copies of it Comments in the above referenced proceeding.

Should there be any questions with regard to this matter, kindly communicate directly with the undersigned.

Very truly yours,

David C. Jatlow

Counsel for The Ericsson Coporation

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Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

JUN 2 0 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of:) }
Implementation of Sections 3(n) and 332 of the Communications Act	,) GN Docket No. 93-252))
Regulatory Treatment of Mobile Services	,))

Comments of The Ericsson Corporation

The Ericsson Corporation on behalf of itself and affiliated companies (hereinafter collectively referred to as "Ericsson"), by its attorney hereby submits its comments in response to the Further Notice of Proposed Rulemaking¹ in the above-captioned proceeding. In support thereof, Ericsson states as follows:

Ericsson's comments in this proceeding are limited to discussion of the issue of whether interoperability standards should be imposed on Part 90 licensees who are now subject to regulation as CMRS providers. Specifically, the Commission requests comment on whether it should "...(1) establish interoperability standards intended to achieve interoperability among all classes of CMRS equipment; (2) establish such standards

Regulatory Treatment of Mobile Services, GN Docket No. 93-252, FCC 94-100 (May 20, 1994) ("FNPRM").

to achieve the narrower objective of promoting interoperability among different types of equipment used to provide the same type or class of CMRS service; or (3) maintain the *status quo* by retaining interoperability requirements for cellular equipment but refraining from any extension of these requirements to other classes of CMRS services."

Ericsson asserts that the Commission should not establish mandatory interoperability standards intended to achieve interoperability among all classes of CMRS equipment or even among the same type or class of CMRS service. Rather, for two important reasons the Commission should allow the marketplace to dictate whether, and, if so, to what extent, interoperability should be implemented.

First, from an equipment standpoint requiring interoperability for existing CMRS service providers not heretofore subject to mandatory interoperability requirements, would entail substantial costs. Existing licensees would have to retrofit or replace existing equipment to meet any new interoperability standards. The substantial costs involved in such an equipment changeout would ultimately be borne by customers of the service providers. Absent an extremely compelling public interest reason to disrupt existing operations, such costs can not be justified as necessary in today's competitive marketplace.

² FNPRM at para. 57.

Second, allowing the marketplace to determine whether interoperability is required is more likely to result in CMRS service offerings which are truly desired by subscribers to such services. As a corollary, allowing the marketplace to determine the appropriate level of interoperability reduces the possibility that manufacturers and service providers lose flexibility to tailor offerings to the public.

The foregoing position is consistent with the Commission's general views on this subject with respect to other CMRS services. For example, in the recently released PCS Reconsideration Order, Memorandum Opinion and Order in GEN Docket No. 90-314³, the Commission specifically declined to adopt interoperability standards for broadband PCS services:

We continue to believe that a flexible approach, applying only those standards necessary to prevent interference, is appropriate. As indicated in the <u>Second Report and Order</u>, this will allow PCS to develop in the most rapid, economically feasible and diverse manner. We agree with NCS and others that interoperability is likely to emerge between PCS licensees in a timely manner without our intervention. (citations omitted)

Similarly, as the cellular industry has started to shift from an analog service to a digital service, the FCC has specifically declined to adopt an interoperability standard for digital cellular systems. Instead, the Commission is leaving such

Amendment of the Commission's Rules to Establish New Personal Communications Services, GEN Docket No. 90-314, FCC 94-144, __ Rcd ___ (June 13, 1994) ("PCS Reconsideration Order").

⁴ PCS Reconsideration Order at para. 162.

decisions to the marketplace.

Ericsson believes the Commission should adopt the same regulatory position for newly reclassified Part 90 carriers as it has for PCS and digital cellular systems, i.e., mandatory interoperability should not be required. Instead, the marketplace should determine whether, and, if so, to what extent interoperability should exist.

Respectfully submitted,

The Ericsson Corporation

David C. Jatlow Its Attorney

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June 20, 1994